



Federal Register

**Monday,
October 31, 2005**

Part LV

Federal Reserve System

Semiannual Regulatory Agenda

FEDERAL RESERVE SYSTEM (FRS)

FEDERAL RESERVE SYSTEM

12 CFR Ch. II

Semiannual Regulatory Flexibility Agenda

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Board is issuing this agenda under the Regulatory Flexibility Act and the Board's Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period November 1, 2005 through April 30, 2006. The next agenda will be published in spring 2006.

DATES: Comments about the form or content of the agenda may be submitted any time during the next 6 months.

ADDRESSES: Comments should be addressed to Jennifer J. Johnson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

FOR FURTHER INFORMATION CONTACT: A staff contact for each item is indicated with the regulatory description below.

SUPPLEMENTARY INFORMATION: The Board is publishing its fall 2005 agenda as part of the Fall 2005 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries. Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board's agenda is divided into four sections. The first, Proposed Rule

Stage, reports on matters the Board may consider for public comment during the next 6 months. The second section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. A third section, Long-Term Actions, reports on matters that have been proposed and are under Board consideration, but will not be completed within the next year. And the fourth section Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further. Matters begun and completed between issues of the agenda have not been included.

A dot (•) preceding an entry indicates a new matter that was not a part of the Board's previous agenda and which the Board has not completed.

Margaret McCloskey Shanks
Associate Secretary of the Board

Federal Reserve System—Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4036	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System	7100-AC73
4037	Regulation: Y — Bank Holding Companies and Change in Bank Control	7100-AC66
4038	Regulation: Y — Bank Holding Companies and Change in Bank Control	7100-AC78
4039	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control, Capital Appendices (Section 610 Review)	7100-AC88

Federal Reserve System—Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4040	Regulation: E — Electronic Fund Transfers (Docket Number: R-1210)	7100-AC98
4041	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System (Docket Number: R-1064)	7100-AC69
4042	Regulation: H — Membership of State Banking Institutions in the Federal Reserve System; and Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1087)	7100-AC75
4043	Regulations J and CC — Collection of Checks and Other Items by Federal Reserve Banks and Fund Transfers Through Fedwire and Availability of Funds and Collection of Checks (Docket Number: R-1226)	7100-AD00
4044	Regulation: V — Fair Credit Reporting (Docket Number: R-1188)	7100-AC91
4045	Regulation: V — Fair Credit Reporting (Docket Number: R-1203)	7100-AC95
4046	Regulation: Y — Bank Holding Companies and Change in Bank Control (Docket Number: R-1094)	7100-AC81
4047	Regulation: BB — Community Reinvestment Act (Docket Number: R-1225)	7100-AC99

Federal Reserve System—Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4048	Regulation: V — Fair Credit Reporting (Docket Number: R-1082)	7100-AC68
4049	Regulation: Z — Truth in Lending (Docket Number R-1217)	7100-AC97

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Federal Reserve System—Completed Actions

Sequence Number	Title	Regulation Identifier Number
4050	Regulations: H & Y — Risk-Based Capital Standards: Trust Preferred Securities and the Definition of Capital (Docket Number: R-1193)	7100-AC96
4051	Regulation: BB — Community Reinvestment (Docket Number: R-1112 and R-1181) (Completion of a Section 610 Review)	7100-AC87
4052	Regulation: DD — Truth in Saving (Docket Number: R-1197)	7100-AC93

Federal Reserve System (FRS)

Proposed Rule Stage

4036. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM

Priority: Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

Legal Authority: 12 USC 1828(t)

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: Section 204 of the Gramm-Leach-Bliley Act added a new subsection (t) to section 18 of the Federal Deposit Insurance Act requiring the Board, in consultation with the Securities and Exchange Commission, to establish recordkeeping requirements for state member banks and branches and agencies of foreign banks that rely on the exceptions from the definition of broker or dealer provided in section 3(a)(4) or (5) of the Securities Exchange Act of 1934.

The Board anticipates issuing for public comment a rule that would implement these recordkeeping requirements. The Board notes that the Securities and Exchange Commission has, by rule, delayed the effective date of the new exemptions for banks contained in section 3(a)(4) of the Securities Exchange Act of 1934, and has requested public comment on revised rules to implement the “broker” exception in section 3(a)(4) of the Securities and Exchange Act. In light of these developments, the Board has delayed adopting a recordkeeping rule pending action by the Securities and Exchange Commission. It is not anticipated that the Board’s proposal, when issued, would have a significant economic impact on a substantial number of small entities subject to the Board’s regulation.

Timetable:

Action	Date	FR Cite
Board requested comment on	06/30/04	69 FR 39682
Board will consider requesting comment by	01/00/06	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Kieran Fallon, Assistant General Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC73

4037. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1844(b)

CFR Citation: 12 CFR 225

Legal Deadline: None

Abstract: Title I of the Gramm-Leach-Bliley Act (GLB Act) makes a number of miscellaneous amendments to sections 3, 4, and 5 of the Bank Holding Company Act of 1956 (BHC Act) and adds a new section 10A to the BHC Act. These amendments, among other things, prohibit the Board from determining that new activities are closely related to banking under section 4(c)(8) of the BHC Act; streamline the Board’s reporting, examination, and other supervisory authority over bank holding companies and their subsidiaries; reduce the restrictions applicable to companies that control “nonbank banks” that are exempt from the nonbanking restrictions of the BHC Act under

section 4(f) of that Act; and repeal the savings bank life insurance provisions currently set forth in section 3(g) of the BHC Act.

The Board will consider issuing for public comment amendments to Regulation Y to implement the provisions of the GLB Act affecting the BHC Act that have not previously been addressed in rules adopted by the Board. It is not anticipated that the proposals will have a significant economic impact on a substantial number of small entities subject to the Board’s regulation.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	01/00/06	

Regulatory Flexibility Analysis

Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Kieran Fallon, Assistant General Counsel, Federal Reserve System, Legal Division
Phone: 202 452-5270

RIN: 7100-AC66

4038. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 24a; 12 USC 36; 12 USC 92a; 12 USC 93a; 12 USC 248(a); 12 USC 248(c); 12 USC 321 to 338a; 12 USC 371d; 12 USC 481 to 486; 12 USC 601; 12 USC 611; 12 USC 1814; 12 USC 1816; ...

CFR Citation: 12 CFR 225

Legal Deadline: None

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Proposed Rule Stage

Abstract: The Board will consider issuing for public comment proposed amendments to Regulation Y that will include a series of technical changes to Regulation Y necessitated by the Gramm-Leach-Bliley Act, as well as a general reorganization of Regulation Y. The proposal should not have a significant economic impact on a substantial number of small entities.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	12/00/05	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Andrew S. Baer, Counsel, Federal Reserve System, Legal Division
Phone: 202 452-2246

RIN: 7100-AC78

4039. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL, CAPITAL APPENDICES (SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC 24a; 12 USC 36; 12 USC 92a; ...

CFR Citation: 12 CFR 208 app A; 12 CFR 208 app D; 12 CFR 208 app E; 12 CFR 225 app A; 12 CFR 225 app D; 12 CFR 225 app E

Legal Deadline: None

Abstract: The capital appendices to Regulations H and Y set forth guidelines for institutions in calculating their regulatory capital requirements, both risk-based and leveraged.

While the guidelines are continuously monitored and updated as required to reflect market innovations, accounting changes, or modifications to supervisory policy, the Board is undertaking a more comprehensive review of the guidelines to minimize regulatory burden, clarify issues arising from the Gramm-Leach-Bliley Act,

enhance the overall risk sensitivity, and to comply with provisions of section 610(c) of the Regulatory Flexibility Act of 1994. This review is proceeding in conjunction with ongoing revisions to the Basel Accord. The Board will consider requesting comment after the next quantitative impact study on the impact of the Basel revisions has been completed. The Board is expected to consider an advance notice of proposed rulemaking for public comment in the third quarter of 2005.

Timetable:

Action	Date	FR Cite
Board will consider requesting comment by	10/00/05	

Regulatory Flexibility Analysis Required: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Barbara Bouchard, Deputy Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-3072

RIN: 7100-AC88

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Final Rule Stage

4040. REGULATION: E — ELECTRONIC FUND TRANSFERS (DOCKET NUMBER: R-1210)

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 1693b

CFR Citation: 12 CFR 205

Legal Deadline: None

Abstract: In September 2004, the Board published for comment a proposal to amend Regulation E, which implements the Electronic Fund Transfer Act. The proposal would also revise the official staff commentary to the regulation. The commentary interprets the requirements of Regulation E to facilitate compliance primarily by financial institutions that offer electronic fund transfer services to consumers.

Proposed revisions to the regulation would address its coverage of electronic check conversion services and service providers. Among other things, persons, such as merchants and other payees, that make electronic check conversion

services available to consumers would have to obtain a consumer's authorization for the electronic fund transfer. In addition, the regulation would be revised to provide that payroll card accounts established directly or indirectly by an employer on behalf of a consumer for the purpose of providing salary, wages, or other employee compensation on a recurring basis are accounts covered by Regulation E. Proposed commentary revisions would provide guidance on preauthorized transfers, additional electronic check conversion issues, error resolution, and other matters.

Timetable:

Action	Date	FR Cite
Board requested comment	09/17/04	69 FR 55996
Further Board action by	12/00/05	

Regulatory Flexibility Analysis Required: No

Small Entities Affected: No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Ky Tran-Trong, Senior Attorney, Federal Reserve System, Division of Consumer and Community Affairs
Phone: 202 452-3667

RIN: 7100-AC98

4041. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM (DOCKET NUMBER: R-1064)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 335; 12 USC 1835a

CFR Citation: 12 CFR 208

Legal Deadline: None

Abstract: In March 2000, the Board approved an interim rule with request for public comment amending Regulation H to implement section 121

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of the Gramm-Leach-Bliley Act for state member banks (65 FR 14810, March 20, 2000). Section 121 in part authorizes state member banks to control, or hold an interest in, financial subsidiaries so as to conduct certain activities that are financial in nature or incidental to a financial activity. In August 2001, following review of the public comments, the Board adopted the final rule substantially as proposed (66 FR 42929, August 16, 2001).

The Board will also consider issuing for public comment a proposed rule in place of an existing Miscellaneous Interpretation (12 CFR 250.141) relating to member bank purchases of stock in operations subsidiaries to update its provisions and conform to section 121. It is not anticipated that the proposal will have a significant economic impact on a substantial number of small entities subject to the Board's regulation.

Timetable:

Action	Date	FR Cite
Board requested comment on interim rule	03/20/00	65 FR 14810
Board adopted interim rule	08/16/01	66 FR 42929
Board will consider requesting comment on replacement rule for Miscellaneous Interpretation by	06/00/06	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Patricia A. Robinson, Assistant General Counsel, Federal Reserve System, Legal Division
Phone: 202 452-3005

RIN: 7100-AC69

4042. REGULATION: H — MEMBERSHIP OF STATE BANKING INSTITUTIONS IN THE FEDERAL RESERVE SYSTEM; AND REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1087)

Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 24; 12 USC 36; 12 USC 92a; 12 USC 93a; ...**CFR Citation:** 12 CFR 208; 12 CFR 225**Legal Deadline:** None

Abstract: In December 2000, the Board issued an interim rule, with request for public comment, amending Regulations H and Y to effectively reduce the capital requirement for certain securities borrowing transactions (65 FR 75856, December 5, 2000). The proposed amendments would recognize the historically low risk of these transactions and bring the capital requirements for U.S. banking organizations into better alignment with the capital requirements of other U.S. and non-U.S. regulators of financial institutions. The proposed amendments would have little or no effect on small banking organizations subject to the Board's regulation, as securities borrowing activities are concentrated in a relatively small number of very large banking organizations. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	12/05/00	65 FR 75856
Further Board action by	12/00/05	

Regulatory Flexibility Analysis Required: No**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: David Adkins, Supervisory Financial Analyst, Federal Reserve System, Division of Banking Supervision and Regulation
Phone: 202 452-5259

RIN: 7100-AC75

4043. • REGULATIONS J AND CC — COLLECTION OF CHECKS AND OTHER ITEMS BY FEDERAL RESERVE BANKS AND FUND TRANSFERS THROUGH FEDWIRE AND AVAILABILITY OF FUNDS AND COLLECTION OF CHECKS (DOCKET NUMBER: R-1226)

Priority: Substantive, Nonsignificant**Legal Authority:** 12 USC 4001 et seq**CFR Citation:** 12 CFR 210; 12 CFR 229**Legal Deadline:** None

Abstract: Board staff are currently reviewing the comments to the proposed amendments to Regulation CC to address remotely created checks and drafting the final rule. The purpose of the rule is to reduce remotely created check fraud in the check collection

system by shifting the liability for such fraud to the depository bank. The Board has the authority to address remotely created check fraud pursuant to the Expedited Funds Availability Act (12 U.S.C. 4001 et seq.). The rule shifts liability for fraudulent remotely created checks from the paying bank to the depository bank and thus would impose little or no cost on depository institutions generally, as all depository institutions may act as paying banks and depository banks. Furthermore, to the extent that the shift in liability reduces remotely created check fraud in the check collection system, there will exist a commensurate reduction in fraud costs for depository institutions generally. Board staff anticipates submitting a final rule for Board approval in early September.

Timetable:

Action	Date	FR Cite
Further Board action by	10/00/05	

Regulatory Flexibility Analysis Required: No**Small Entities Affected:** Businesses**Government Levels Affected:** None**Federalism:** Undetermined

Agency Contact: Joshua H. Kaplan, Attorney, Federal Reserve System, Legal Division
Phone: 202 452-2249

RIN: 7100-AD00

4044. REGULATION: V — FAIR CREDIT REPORTING (DOCKET NUMBER: R-1188)

Priority: Substantive, Nonsignificant**Legal Authority:** 15 USC 1681 et seq**CFR Citation:** 12 CFR 222**Legal Deadline:** None

Abstract: On December 4, 2003, the President signed into law the Fair and Accurate Credit Transactions Act of 2003, (FACT Act), Pub. L. 108-159, 117 Stat. 1952, which amends the Fair Credit Reporting Act (FCRA). Section 411 of the FACT Act amends the FCRA to provide that a creditor may not obtain or use medical information in connection with any determination of a consumer's eligibility, or continued eligibility, for credit, except as permitted by regulations. The FACT Act requires the Federal bank and thrift regulatory agencies to prescribe regulations that permit creditors to

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obtain and use medical information for eligibility purposes when necessary and appropriate to protect legitimate operational, transactional, risk, consumer, and other needs. The Act further requires that regulations creating these exceptions must be issued in final form within 6 months of the date of enactment of the FACT Act, or June 4, 2004.

Section 411 of the FACT Act also amends the FCRA to limit the ability of creditors and others to share medical-related information with affiliates, except as permitted by the statute, regulation, or order.

In April 2004, the agencies issued proposed regulations that would grant exceptions to allow creditors to obtain or use medical information in certain circumstances in connection with determinations of consumer eligibility for credit, as required by section 411. The proposed rules also enumerated situations in which creditors would be permitted to share medical information among affiliates. The proposed medical information rules were issued by the Board, Federal Deposit Insurance Corporation, National Credit Union Administration, Office of the Comptroller of the Currency, and Office of Thrift Supervision. The rules would amend each agency's rules of practice separately, but would be substantively identical.

In June 2005, the agencies issued interim final rules that will become effective March 7, 2006. The agencies expanded the scope of the rules to permit all creditors to rely on the exceptions to obtain and use medical information. The agencies also gave interested parties an opportunity to comment on the expanded scope of the interim final rules.

Timetable:

Action	Date	FR Cite
Board requested comment	04/12/04	69 FR 19123
Board requested comment	04/28/04	69 FR 23380
Board requested comment	06/10/05	70 FR 33958
Further Board action by	10/00/05	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: Businesses

Government Levels Affected: Federal

Federalism: Undetermined

Agency Contact: David A. Stein, Counsel, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-2412

RIN: 7100-AC91

4045. REGULATION: V — FAIR CREDIT REPORTING (DOCKET NUMBER: R-1203)

Priority: Substantive, Nonsignificant

Legal Authority: 15 USC 1681 et seq

CFR Citation: 12 CFR 222

Legal Deadline: None

Abstract: On December 4, 2003, the President signed into law the Fair and Accurate Credit Transactions Act of 2003 (FACT Act), Pub. L. 108-159, 117 Stat.1952, which amends the Fair Credit Reporting Act (FCRA). Section 214 of the FACT Act adds a new section 624 of the FCRA. This new provision gives consumers the right to restrict a person from using certain information about a consumer obtained from an affiliate to make solicitations to that consumer. That section also requires the Agencies, in consultation and coordination with each other, to issue regulations in final form implementing section 214 not later than 9 months after the date of enactment. These rules must become effective not later than 6 months after the date on which they are issued in final form.

The proposed rules were issued by the Board, the Federal Deposit Insurance Corporation, the National Credit Union Administration, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision. The Federal Trade Commission (FTC) and the Securities and Exchange Commission (SEC) are also required to issue regulations under new section 624 in consultation and coordination with the Agencies. The FTC published its proposed rule on June 15, 2004 (69 FR 33324), and the SEC published its proposed rule on July 8, 2004 (69 FR 42302).

Timetable:

Action	Date	FR Cite
Board requested comment	07/15/04	69 FR 42501
Board expects further action by:	12/00/05	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected:

Undetermined

Federalism: Undetermined

Agency Contact: David A. Stein, Counsel, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-2412

RIN: 7100-AC95

4046. REGULATION: Y — BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL (DOCKET NUMBER: R-1094)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 1843

CFR Citation: 12 CFR 225.86(e)

Legal Deadline: None

Abstract: In December 2000, the Board, jointly with the Department of the Treasury, issued interim rules with request for public comment that implement section 4(k)(5) of the Bank Holding Company Act and section 5136A(b)(3) of the Revised Statutes, which were added by the Gramm-Leach-Bliley Act (66 FR 257, January 3, 2001). The interim rules specify three general types of activities to be financial in nature or incidental to a financial activity, and create a mechanism by which financial holding companies, financial subsidiaries of national banks, or others may request that the Board or the Secretary of the Treasury, respectively, define particular activities within one of the three categories. Such activities would therefore be permissible for financial holding companies and financial subsidiaries of national banks. The rules are not expected to have a significant economic impact on a substantial number of small entities. Following review of the public comments, the Board will take further action.

Timetable:

Action	Date	FR Cite
Board requested comment	01/03/01	66 FR 257
Further Board action by	12/00/05	

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: No

Government Levels Affected: None

Federalism: Undetermined

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Agency Contact: Andrew S. Baer,
Counsel, Federal Reserve System, Legal
Division
Phone: 202 452-2246
RIN: 7100-AC81

**4047. • REGULATION: BB —
COMMUNITY REINVESTMENT ACT
(DOCKET NUMBER: R-1225)**

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 2901 et seq

CFR Citation: 12 CFR 228

Legal Deadline: None

Abstract: The final rule eliminates data
collection and reporting obligations for

banks with assets between \$250 million
and \$1 billion, and makes those banks'
CRA evaluations more flexible. The
final rule recognizes bank activities as
"community development" activities in
a larger number of rural areas. The final
rule also clarifies when illegal credit
practices by a bank or its staff might
reduce the bank's CRA rating.
Following review of the public
comment, the Board will take further
action.

Timetable:

Action	Date	FR Cite
Board requested comment	03/11/05	70 FR 12148

Action	Date	FR Cite
Further Board action by	10/00/05	

**Regulatory Flexibility Analysis
Required:** No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Dan Sokolov, Senior
Attorney, Federal Reserve System,
Division of Consumer and Community
Affairs
Phone: 202 452-2412

RIN: 7100-AC99

Federal Reserve System (FRS)

Long-Term Actions

**4048. REGULATION: V — FAIR
CREDIT REPORTING (DOCKET
NUMBER: R-1082)**

Priority: Substantive, Nonsignificant

CFR Citation: 12 CFR 222

Timetable:

Action	Date	FR Cite
Board requested comment	10/20/00	65 FR 63120
Further Board action by	12/00/07	

**Regulatory Flexibility Analysis
Required:** No

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: David A. Stein
Phone: 202 452-2412

RIN: 7100-AC68

**4049. REGULATION Z—TRUTH IN
LENDING (DOCKET NUMBER R-1217)**

Priority: Substantive, Nonsignificant

CFR Citation: 12 CFR 226 et seq

Timetable:

Action	Date	FR Cite
Board requested comment	12/08/04	69 FR 70925

Action	Date	FR Cite
Further Board action by	12/00/06	

**Regulatory Flexibility Analysis
Required:** No

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Jane Ahrens
Phone: 202 452-3667

RIN: 7100-AC97

Federal Reserve System (FRS)

Completed Actions

**4050. REGULATIONS: H & Y —
RISK-BASED CAPITAL STANDARDS:
TRUST PREFERRED SECURITIES AND
THE DEFINITION OF CAPITAL
(DOCKET NUMBER: R-1193)**

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 24; 12 USC
24a; 12 USC 36

CFR Citation: 12 CFR 208 app A; 12
CFR 225 app A, sec II A

Legal Deadline: None

Abstract: In May 2004, the Federal
Reserve Board issued a proposed rule
that would allow the continued
inclusion of trust preferred securities in
the tier 1 capital of bank holding
companies, subject to stricter

quantitative limits and qualitative
standards. The Board also proposed to
revise the quantitative limits applied to
the aggregate amount of cumulative
perpetual preferred stock, trust
preferred securities, and minority
interests in the equity accounts of
certain consolidated subsidiaries
included in the consolidated tier 1
capital of bank holding companies. The
Board considered comments received
and adopted a final rule on March 4,
2005, which was published in the
Federal Register on March 10, 2005 (70
FR 11827).

Timetable:

Action	Date	FR Cite
Board requested comment on	05/19/04	69 FR 28851
Board adopted proposal	03/10/05	70 FR 11827

**Regulatory Flexibility Analysis
Required:** No

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: John Connolly, Senior
Supervisory Financial Analyst, Federal
Reserve System, Division of Banking
Supervision and Regulation

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Completed Actions

Phone: 202 452-3621

RIN: 7100-AC96

4051. REGULATION: BB — COMMUNITY REINVESTMENT (DOCKET NUMBER: R-1112 AND R-1181) (COMPLETION OF A SECTION 610 REVIEW)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 290 et seq

CFR Citation: 12 CFR 228 et seq

Legal Deadline: None

Abstract: In 1995, the Board issued Regulation BB which implements the Community Reinvestment Act (CRA). Substantially similar regulations were issued by the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Office of Thrift Supervision (OTS). The goal of these regulations was to achieve more objective performance-based CRA examinations and to minimize burden. At the time these regulations were issued, the agencies committed to conducting a 2002 comprehensive review of the regulations' effectiveness in achieving this goal.

In July 2001, the Board, the OCC, FDIC, and OTS issued an advance notice of proposed rulemaking (ANPRM) (66 FR 37602, July 19, 2001). After reviewing the comments and the issues, the agencies issued a proposed rulemaking (NPRM) (69 FR 5729, Feb. 6, 2004). The agencies proposed to amend their CRA regulations (Regulation BB, for the Board) to increase the number of institutions eligible for streamlined CRA examinations and clarify when an illegal or abusive credit practice by a bank or its affiliate will adversely affect the bank's CRA evaluation. Each agency stated that the proposal would reduce burden and would not raise costs for small financial institutions and, therefore, would not have a significant economic impact on a substantial

number of small entities subject to the regulations. (69 FR at 5742) The comment period closed on April 6, 2004.

In July 2004, the OCC and the Board withdrew their CRA proposals and the OTS announced that it would raise the "small bank" threshold to \$1 billion. In August 2004, the OTS finalized its CRA rule and the FDIC issued a proposed rule seeking additional comments on the "small bank" CRA threshold. In March 2005, the Board, OCC, and FDIC issued a new proposal to reduce burden on, and improve evaluation of, larger community banks, which was adopted as a final rule in July 2005.

Timetable:

Action	Date	FR Cite
Board requested comment	07/19/01	66 FR 37602
Board requested comment	02/06/04	69 FR 5729
Withdrawn	07/16/04	

Regulatory Flexibility Analysis

Required: Yes

Small Entities Affected: Businesses

Government Levels Affected: None

Federalism: Undetermined

Agency Contact: Dan Sokolov, Attorney, Federal Reserve System, Division of Consumer and Community Affairs

Phone: 202 452-2412

RIN: 7100-AC87

4052. REGULATION: DD — TRUTH IN SAVING (DOCKET NUMBER: R-1197)

Priority: Substantive, Nonsignificant

Legal Authority: 12 USC 4301 et seq

CFR Citation: 12 CFR 230 et seq

Legal Deadline: None

Abstract: The Board adopted final amendments to Regulation DD, which implements the Truth in Savings Act

and the regulation's official staff commentary, to address concerns about the uniformity and adequacy of information provided to consumers when they overdraw their accounts. The amendments, in part, address a specific service offered by depository institutions, commonly referred to as "bounced-check protection" or "courtesy overdraft protection."

Depository institutions sometimes offer courtesy overdraft protection to deposit account customers as an alternative to a traditional overdraft line of credit. To address concerns about the marketing of this service, the final amendments expand the prohibition against misleading advertisements to cover communications with current customers about existing accounts. Other revisions to Regulation DD require additional fee and other disclosures about courtesy overdraft services, including advertising. Institutions that promote the payment of overdrafts in an advertisement must also provide additional cost disclosures on periodic statements of account activity.

Timetable:

Action	Date	FR Cite
Board requested comment	06/07/04	69 FR 31760
Board adopted proposal	05/19/05	70 FR 29582

Regulatory Flexibility Analysis

Required: No

Small Entities Affected: Businesses

Government Levels Affected: None

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